

# ELIZABETH THE SECOND

by the Grace of God, of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen,  
Head of the Commonwealth, Defender of the Faith:

## TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

WHEREAS an humble Petition has been presented unto Us by the Company incorporated in the year of our Lord One thousand nine hundred and twenty-two under the Companies Acts and known as “The Institute of Quality Assurance” (hereinafter called the “Company”) praying for the grant of a Charter of Incorporation:

AND WHEREAS We have taken the said Petition into Our Royal Consideration and are minded to accede thereto:

NOW THEREFORE KNOW YE that We, by virtue of Our Prerogative Royal and of Our especial grace, certain knowledge and mere motion have willed and ordained and by these Presents for Us, Our Heirs and Successors do will and ordain as follows:

1. The persons who are now the members of the Company and all such persons as shall hereafter pursuant to this Our Charter and the Bye-laws become members of the Body Corporate hereby constituted and their successors, shall for ever hereafter be by virtue of these Presents one Body Corporate and Politic by the name of “The Chartered Quality Institute” (hereinafter referred to as the “Institute”) and by the same name shall have perpetual succession and a Common Seal, with power to break, alter and make anew the said Seal from time to time at their will and pleasure and by the same name shall, and may, sue and be sued in all Courts, and in all manner of actions and suits and shall have power to do all other matters and things incidental or appertaining to a Body Corporate.

2. The objects of the Institute (hereinafter referred to as “the objects”) shall be for the benefit of the public to advance education in, knowledge of, and the practice of, quality in industry, commerce, the public service, and the voluntary sector.
3. In pursuance of the objects, but not further or otherwise, the Institute shall have the following powers:
  - (a) To conduct or promote the conduct of research, including scientific investigation and other methods of expanding knowledge, to publish the useful results of such research, and to provide facilities for study, research and education;
  - (b) To promote the competitiveness of industry and commerce nationally and internationally, and the efficiency and effectiveness of public and voluntary service, by the advancement of quality management practices and techniques;
  - (c) To promote education, training, qualification and continuing professional development in quality and to institute, establish or accredit educational and training courses, and to confer scholarships, grants, awards and prizes;
  - (d) To prescribe standards of education, training and experience in quality and to hold or cause to be held examinations and other tests, and to award or promote the award of certificates and diplomas: PROVIDED that no such

certificate or diploma shall purport to be issued by or under government authority, or purport to be a national qualification, without the prior approval of, or accreditation by, the appropriate Department of Our Government and/or the appropriate devolved administration, or the appropriate regulatory body for qualifications;

- (e) To co-operate with any authority or organisation in the establishment of, and recognition of achievement against, national or international professional standards of competence and achievement in the field of quality, and to seek or maintain accreditation by any authority in Our United Kingdom or elsewhere;
- (f) To maintain registers of members, of other practitioners in the relevant field, and of bodies and activities;
- (g) To establish and maintain libraries and collections, and provide public access to them, and to collect information whether or not on a basis restricted by agreement with the provider thereof;
- (h) To hold, or promote the holding of, or co-operate in the arranging of, lectures, meetings, conferences, exhibitions and other events and to promote the reading of learned papers;
- (i) To publish, produce and distribute or assist in the publication, production or distribution of films, recordings, and any form of written, printed or electronic communication and to advertise in any manner expedient for the objects;
- (j) To encourage the undertaking of voluntary work in the interests of the Institute;
- (k) To consult or co-operate with any authority, institution or other body within Our United Kingdom or elsewhere;
- (l) To establish, regulate and dissolve local branches or other sub-divisions of the Institute and special interest or other groups;
- (m) To acquire, construct, alter, equip, maintain or manage any building, lecture hall, library, or office and to acquire or dispose of any land for the purposes of the Institute, and to insure any building or other premises owned or occupied by the Institute;
- (n) To purchase, take on lease or licence, borrow, hire or otherwise acquire any real or personal property and, subject to such consents as may be

required by law, to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Institute;

- (o) To take over and acquire all the property and assets of the Company and to assume the obligations of the Company and to do all such acts and things as may be incidental thereto;
- (p) To seek and accept (or disclaim) any subscription, gift, donation or legacy, property or other asset;
- (q) To deal in any way with promissory notes, bills of exchange and other instruments of any kind, whether or not transferable, and to operate bank accounts in the name of the Institute;
- (r) To carry on trade in furtherance of the objects or for purposes ancillary or incidental thereto and to establish trading and other subsidiary companies;
- (s) Subject to such consents as may be required by law, to borrow money and to obtain any form of credit or finance, whether on the security of any or all of the property of the Institute, or without security;
- (t) To appoint and delegate powers to investment managers, and to invest the funds of the Institute not immediately required for its purposes in such manner as may be prescribed by or under the Bye-laws;
- (u) To accept and secure the discharge of obligations and liabilities and to insure the Institute against any liability or eventuality;
- (v) To make arrangements for the carrying on of the work of the Institute and for such purpose to engage and provide in whole or in part for the salaries, pensions, superannuation, insurance and gratuities for employees or former employees of the Institute or the Company and their widows, widowers and dependants;
- (w) To indemnify, and to provide indemnity insurance in respect of, any member or members of the governing Board of the Institute (hereinafter called "the Board") for any liability which would otherwise attach to them for negligence, default or breach of trust or duty; provided that such insurance shall not extend to any claim arising from any act or omission which the member or members knew to be a breach of trust or duty or which was committed in reckless disregard of whether it was a breach of trust or duty, nor to the costs of an unsuccessful defence to a criminal prosecution brought against members of the Board in their capacity as trustees;

- (x) To make charitable donations and to undertake and carry out any charitable trusts or agencies;
- (y) To procure that, subject to the laws of the country concerned, the Institute be registered or recognised in any part of the world;
- (z) To establish and support, or aid in the establishment and support of, or become a member of, any organisation, association, institute or body having objects similar to those of the Institute and to subscribe or guarantee money for purposes calculated to further its objects;
- (aa) To enter into, and to give effect to, agreements or arrangements of any kind with charitable or other institutions whose objects are not repugnant to this Our Charter whereby:
  - (i) activities shall be carried on in co-operation;
  - (ii) any such institution shall be or become incorporated in, federated or affiliated to, associated with or recognised for any purpose by the Institute, or the Institute shall become affiliated to, associated with or recognised for any purpose by, any such institution:

Provided that no incorporation of the Institute in any other institution and no incorporation of any other institution (except the Company) in the Institute shall be effected without the approval of the Lords of Our Most Honourable Privy Council of which approval a Certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence; and

- (bb) To do such other lawful acts and things (including the promotion of a Bill or Bills in Parliament), whether incidental to the powers aforesaid or not, as may be requisite in order to further the objects.
4. The income and property of the Institute shall be applied solely towards the promotion of the objects as set forth in this Our Charter as amended or added to in the manner hereinafter provided and shall not be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to its members, or to any member of the Board provided that nothing herein contained shall prevent the payment in good faith by the Institute:
- (a) of reasonable and proper remuneration to any member, officer or servant of the Institute (not being a member of the Board) in return for any services actually rendered to the Institute;

- (b) of interest at a rate not exceeding a reasonable and proper rate on money lent or reasonable and proper rent for premises demised or let by any member of the Institute;
  - (c) of reasonable out of pocket expenses to any member of the Board;
  - (d) of reasonable and proper premiums in respect of indemnity insurance effected in accordance with article 3(w) above.
5. In this Our Charter, unless the context otherwise requires, “members” means the members of the Institute. The Bye-laws shall specify, or provide for the specification of, the categories of membership of the Institute and shall regulate, or provide for the regulation of, all matters relating to the admission, rights and privileges, and discipline of members.
6. (a) There shall be a President of the Institute, who may or may not be a member of the Institute.
- (b) There shall be such officers of the Institute as the Bye-laws may from time to time prescribe or authorise and they shall have such powers and duties and such periods of office and shall be appointed in such manner as may be prescribed by or in accordance with the Bye-laws.
7. (a) There shall be a governing Board of the Institute in which shall be vested the government and control of the Institute and its affairs, subject to the provisions of this Our Charter, the Bye-laws and the Regulations of the Institute.
- (b) The first members of the Board shall be the persons whose names are set forth as such in the First Schedule to this Our Charter and they shall continue in office for such period or respective periods as shall be prescribed by or in accordance with the Bye-laws.
- (c) The successors to the first members of the Board shall be such persons with such qualifications and shall be appointed in such manner and shall hold office for such period and on such terms generally as shall be prescribed by or in accordance with the Bye-laws.
- (d) The business of the Board shall be conducted in such manner as shall be prescribed by or in accordance with the Bye-laws.
8. There shall be an advisory Council of the Institute constituted in accordance with, and having such powers and functions as may be specified in, the Bye-laws or Regulations made thereunder.

9. (a) The Bye-laws may, subject to the provisions of this Our Charter, govern such matters as the Institute may deem fit with respect to or for the government of the Institute and the promotion of the objects.
- (b) The Bye-laws set out in the Second Schedule hereto shall be the first Bye-laws of the Institute.
10. The members may by Special Resolution revoke, amend or add to the Bye-laws for the time being in force; but no such revocation, amendment or addition shall have effect until approved by the Lords of Our Most Honourable Privy Council of which approval a Certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence.
11. The Bye-laws may direct that any matter which pursuant to this Our Charter may be prescribed or regulated in the Bye-laws may be further prescribed or regulated by Regulations; provided that any such further prescription or regulation shall not be repugnant to the provisions of this Our Charter or the Bye-laws. Regulations shall be made, and may be amended or repealed, by resolution of the Board.
12. The members may at any time revoke, amend or add to any of the provisions of this Our Charter by a Special Resolution in that behalf and such revocation, amendment or addition shall when allowed by Us, Our Heirs or Successors in Council become effectual so that this Our Charter shall thenceforward continue and operate as revoked, amended or added to. This Article shall apply to this Our Charter as revoked, amended or added to in manner aforesaid.
13. The members may at any time by Special Resolution determine to surrender this Our Charter subject to the sanction of Us, Our Heirs or Successors in Council and upon such terms as We or They may consider fit and wind up or otherwise deal with the affairs of the Institute in such manner as shall be determined by such Special Resolution or in default of such direction as the Board shall think expedient having due regard to the liabilities of the Institute for the time being, and if, on the winding up or the dissolution of the Institute, there shall remain, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members or any of them but shall, subject to any special trusts affecting the same, be given and transferred to some other charitable body, with objects similar to those of the Institute and whose constitution restricts the distribution of property to the same or greater extent as this Our Charter, to be determined by the Board at or before the time of dissolution.
14. For the purposes of this Our Charter a “Special Resolution” means a resolution passed at a General Meeting of the members convened and held in accordance with the Bye-laws and Regulations and passed by not less than two-thirds of the members present and entitled to vote (personally or, if provided for in Regulations, by proxy) and voting at the Meeting.
15. The Arms, Crest and Supporters granted and assigned unto the Company by Letters Patent under the hands and seals of Garter, Clarenceux and Norroy and Ulster Kings of Arms bearing the date the Eleventh day of May 1978 shall be transferred unto the Institute on the date on which this Our Charter shall take effect, and We do hereby give and grant unto the Institute Our Royal License and Authority that it may thenceforth bear and use the said Armorial Ensigns according to the Laws of Arms, the said transfer being first recorded in Our College of Arms, otherwise this Our License and Permission to be void and of no effect.
16. In any case of conflict, the provisions of this Our Charter shall prevail over those of the Bye-laws and Regulations, and the provisions of the Bye-laws shall prevail over those of the Regulations.
17. Our Royal Will and Pleasure is that this Our Charter shall ever be construed benevolently and in every case most favourably to the Institute and the promotion of the objects.
- IN WITNESS whereof We have caused these Our Letters to be made Patent.
- WITNESS Ourselves at Westminster the twenty-third day of November  
in the fifty-fifth year of Our Reign.

BY WARRANT UNDER THE QUEEN’S SIGN MANUAL

# THE FIRST SCHEDULE

## THE FIRST PRESIDENT OF THE INSTITUTE

Sir David Martin Brown

## THE FIRST MEMBERS OF THE BOARD

Jim Speirs – Chairman of the Board

John Linley Wilson – Honorary Treasurer

Peter Bennett

John Davies

Colin Anthony Head

David Charles Naylor

Elizabeth Margaret Rooney

Roy Thomas Rose

Reginald Thompson Sanlon

# THE SECOND SCHEDULE

## BYE-LAWS OF THE INSTITUTE

### DEFINITIONS

1. In these Bye-laws and the Regulations, except where the context otherwise requires:
  - (a) “Bye-laws” means these Bye-laws as amended from time to time;
  - (b) “Charter” means the Charter to which the Bye-laws are scheduled, as revoked, amended or added to from time to time, and all Supplemental Charters of the Institute for the time being in force;
  - (c) “Company” means the Company limited by guarantee incorporated on 10th November 1922 called The Institute of Quality Assurance;
  - (d) “Council” means the advisory Council of the Institute;
  - (e) “Director General” means the chief executive officer of the Institute by whatever title known;
  - (f) “Honorary Treasurer” means the Honorary Treasurer of the Institute;
  - (g) “Institute” means The Chartered Quality Institute constituted by the Charter;
  - (h) “in writing” and “written” includes all modes of representing or reproducing words in a visible form;
  - (i) “Laws of the Institute” means the Charter, these Bye-laws, the Regulations and all codes and other forms of regulatory provision made by the Institute;
  - (j) “meeting” in relation to a meeting of the Board includes a meeting other than a physical meeting;

- (k) “member” means a member of the Institute in any class or category;
  - (l) “Member” means a person in the category of Member of the Institute;
  - (m) “month” means calendar month;
  - (n) “notice” includes any paper or document of any kind which a member may be entitled to have served upon him;
  - (o) “office” means the main office of the Institute;
  - (p) “President” means the President of the Institute;
  - (q) “Regulations” means regulations made by the Board under the Charter or Bye-laws;
  - (r) “Seal” means the Common Seal of the Institute;
  - (s) “voting member” means a member entitled under the Bye-laws to vote at a general meeting of the Institute, and “non-voting member” shall be construed accordingly;
  - (t) words importing the masculine gender shall include the feminine and words in the singular shall include the plural and words in the plural shall include the singular;
  - (u) words importing persons shall include corporations and “corporation” shall include unincorporated associations;
  - (v) any reference to an enactment includes that enactment as replaced or modified.
2. Any words and terms defined in the Charter shall, unless the context otherwise requires, have a corresponding meaning in these Bye-laws and the Regulations.

### MEMBERSHIP OF THE INSTITUTE

3. The following shall be members of the Institute:
  - (a) persons who are members of the Company at the date these Bye-laws first come into force and effect;
  - (b) persons who are admitted as members under the Charter and Bye-laws;and membership shall be personal and shall not be transferable by act of the member or by operation of the law.
4. There shall be the following classes of membership:
  - (a) Voting members in the following categories:

*Fellows* – being persons who meet the requirements for admission as a Member and demonstrate to the satisfaction of the Board an extensive knowledge and experience of quality and a personal contribution to furthering the quality profession;

*Members* – being persons who have completed the Institute's examinations or assessments or have been awarded the Institute's Diploma in Quality (or hold a degree or other qualification considered by the Board to be equivalent to the Diploma) and have at least five years' experience in the field of quality or systems management.
  - (b) Non-voting members in the following categories:

*Companions* – being eminent persons appointed to this category by the Institute in recognition of their contribution to quality and their standing in commerce or public life;

*Honorary Fellows* – being persons considered by the Board to have furthered, or be capable of furthering, the objects or the quality profession;

*Associates* – being persons having quality or business improvement responsibilities satisfactory to the Board;

*Students* – being persons admitted to this category by virtue of undergoing full or part time education considered by the Board to be capable of leading to admission to voting membership of the Institute;

and such other categories of non-voting members as may be determined in Regulations.

5. Subject to the Bye-laws, the Board may by Regulation determine additional terms and conditions of admission to, retention of, transfer within, exclusion from, and re-admittance to, membership of the Institute and the provisions of Bye-law 4 and such additional terms and conditions shall be binding as well upon those who were members of the Company as those who may be admitted after the incorporation of the Institute under the Charter.

6. The members shall be entitled to use the following designatory initials:

Fellow – “FCQI”

Member – “MCQI”

Companion – “CCQI”

Honorary Fellow – “Hon FCQI”

Associate – “ACQI”.

7. (a) Those members who hold the Institute's Diploma in Quality (being the qualification recognised by the Qualifications and Curriculum Authority (“QCA”) as the “Diploma in Quality (Assurance and Management)” and any successor diploma recognised by the QCA or its successor body) may use the letters “DipQ”.

(b) A Fellow and a Member with at least two years' relevant experience as a management consultant may be admitted to the CQI Management Consultants Register (“the Register”) as, respectively, a “Registered Senior Consultant” and a “Registered Consultant” and may use, respectively, the letters “RSC” and “RC”, and a Fellow or a Member with at least one years' such experience may be admitted as an “Associate Consultant” and may use the letters “AC”. The Board may by Regulation determine the terms and conditions of admission to, retention in, transfer within, exclusion from, and re-admittance to the Register and such terms shall be binding as well on those who were admitted to the Register under the Memorandum and Articles of the Company as those admitted after the incorporation of the Institute under the Charter.

(c) Other privileges, including the right to membership certificates or to use designations, but excluding the right to use titles including the word “chartered”, may be conferred on members under Regulations.

8. The Board shall have power by Regulation to prescribe the annual or other subscriptions, entrance fees or other payments related to

admission to, or retention of, membership of the Institute. Every member other than an Honorary Fellow shall pay subscriptions in accordance with Regulations and shall not be entitled to any benefit or privilege of membership when his subscription is in arrears. The Board may direct that the subscription of any individual member be reduced or waived in exceptional circumstances, and may by Regulation provide for reductions in subscriptions for groups or sections of members on any grounds, and specify the conditions on which those concessions shall operate.

9. A person shall cease to be a member in any of the following cases:

- (a) if the application on the basis of which membership was granted contained or referred to information which was false or misleading;
- (b) if the member resigns by giving written notice thereof;
- (c) if the member fails to pay all subscriptions, entrance fees or other payments due from him to the Institute within such period as may be specified by the Board;
- (d) if the member becomes bankrupt or insolvent, or suspends payment or enters into composition or arrangement with his creditors generally;
- (e) if the member is expelled as a result of disciplinary proceedings.

Provided that the Board may in any case other than (e) above in its discretion resolve that the membership of any member shall, notwithstanding the occurrence of any of the events specified herein,

continue either unconditionally or subject to such conditions as the Board may prescribe, and that any person whose membership shall cease in accordance with this Bye-law shall remain liable to the Institute for all fees, subscriptions and other payments which may have been due from him at the date his membership ceased as determined in Regulations.

10. There shall be power by Regulations to prescribe for the affiliation or association of other persons, or corporations, with the Institute in such manner as the Board may from time to time determine and with such privileges and rights and upon such conditions as the Board shall think fit. No person so becoming associated or affiliated as aforesaid shall by virtue of this Bye-law or Regulations made under it be a member of the Institute, but this shall not preclude such person from applying for membership.

#### **DISCIPLINE**

11. The members shall be bound by the Laws of the Institute and may be subject to disciplinary proceedings of the Institute if in breach of those Laws or if found guilty by a competent tribunal or Court of an offence considered relevant to membership of the Institute. Regulations shall provide for the investigation and determination of complaints against members, and shall specify the rights of a member subject to complaint to receive notice, to be represented and to call and cross-examine witnesses, and to appeal. Regulations under this Bye-law may make provision for all matters within the disciplinary process including the sanctions to which

members may be liable, and may empower committees of the Institute to regulate their own procedure.

#### **GENERAL MEETINGS OF THE INSTITUTE**

12. An Annual General Meeting of the Institute shall be held once in every calendar year beginning with 2007, at such time and place as may be determined by the Board and not more than fifteen months shall elapse between the date of one Annual General Meeting and the date of the next. All other General Meetings of the Institute shall be called Extraordinary General Meetings.
13. Twenty-one days' notice of any General Meeting in a form prescribed in Regulations shall be given to voting members and such other members as the Board may determine. The accidental omission to give notice of a meeting or the non-receipt of notice by any member, or a defect in the conduct or voting at a meeting, shall not invalidate the meeting or the business transacted thereat.
14. The Board may call an Extraordinary General Meeting when it thinks fit and shall call such a meeting when requested to do so by the Council or on the requisition of such number of voting members being not less than one-tenth of the voting members of the Institute. All business transacted at an Extraordinary General Meeting shall be deemed special business, as shall that transacted at an Annual General Meeting, except:
  - (a) receipt of the accounts and balance sheet, and of reports of the Board and Auditors;
  - (b) the appointment of the Auditors and either

determination of their remuneration or authorisation of the Board to determine the same;

- (c) declaration of the results of elections.

15. The quorum for a General Meeting of the Institute shall be twelve voting members personally present. Regulations shall provide for all matters relating to the dissolution of an inquorate meeting and to its adjournment and reconvening and the transaction of business notified for the meeting.
16. Subject to the Charter and Bye-laws, Regulations may make provision in respect of all other matters concerning: (a) the summoning or requisitioning, and giving notice of, General Meetings and attendance thereat; (b) the submission by members of proposed resolutions; (c) the conduct of business (including voting, proxies, and demanding of polls) at and chairmanship of such Meetings; and (d) the adjournment and reconvening of such Meetings.

#### **PRESIDENT**

17. There shall be a President of the Institute appointed from time to time by the Board in accordance with Regulations.

#### **OFFICERS OF THE INSTITUTE**

18. (a) There shall be a Chairman of the Board and an Honorary Treasurer and such other officers as the Board may from time to time determine.
  - (b) Officers shall be elected or appointed, and shall hold office, in accordance with Regulations.

19. In the event of a casual vacancy occurring in any such office of the Institute, such vacancy may be filled in accordance with Regulations.

## **THE BOARD**

20. Subject to the Laws of the Institute, the Board shall be the governing body of the Institute. The first members of the Board, whose names are listed in the First Schedule to the Charter, shall be regarded as having taken up office in accordance with these Bye-laws and may serve out their pre-existing periods of office as though those periods of office had commenced while these Bye-laws were in force, but the retirement date of any of the first members of the Board may be adjusted if necessary by simple majority resolution of the Board.
21. The Board shall consist of the following:
- (a) The Chairman of the Board and the Honorary Treasurer, ex officio;
  - (b) Up to fifteen other members elected by the advisory Council, and serving, in accordance with the Regulations; and
  - (c) up to three persons co-opted by the Board in accordance with Regulations.
22. The Council may fill any casual vacancy amongst the members of the Board elected under Bye-law 21(b). A person so appointed shall serve until the next subsequent election.
23. Subject to the Laws of the Institute, the Board may

regulate its own proceedings. Regulations under this Bye-law may:

- (a) deal with all and any other matters relating to the election, appointment and retirement of members of the Board;
  - (b) specify the quorum for meetings of the Board, provided this is not less than five;
  - (c) make provision in respect of the procedure for and validity of written resolutions of the Board; and
  - (d) regulate all other matters relating to the meetings and proceedings of the Board.
24. A member of the Board shall cease to hold office as such:
- (a) if he resigns by notice in writing;
  - (b) if he becomes prohibited from being a director of a company or charity trustee;
  - (c) if he becomes bankrupt, makes a declaration of insolvency or suspends payment or makes any arrangement or composition with his creditors;
  - (d) if he is removed from office by a resolution of the Council or of the members in General Meeting;
  - (e) if he fails without good reason to attend three consecutive Board meetings; or
  - (f) if he is removed under Bye-law 25.
25. The Board may, by a vote of not less than three-quarters of the members of the Board present and

voting, being an absolute majority of the members for the time being of the Board, at any time remove a member of the Board if he is considered to have acted contrary to the interests of the Institute or is unable properly to carry out the duties of a Board member. The member whose removal is resolved upon under this Bye-law shall have a right of appeal if so provided in Regulations.

26. The members for the time being of the Board may act notwithstanding any vacancy in their body provided always that in case the members of the Board shall at any time be or be reduced in number to less than the quorum it shall be lawful for them to act as the Board for the purpose of summoning a General Meeting or a meeting of the Council but not for any other purpose.

## **POWERS AND FUNCTIONS OF THE BOARD**

27. The Board may exercise all such powers of the Institute and do on behalf of the Institute all such acts as may be exercised and done by the Institute as are not required by the Laws of the Institute to be exercised or done by the Institute in General Meeting, and shall, in particular, and subject to such Laws, have the following powers:
- (a) to make, alter and revoke Regulations, including Regulations specifying the composition of the Council: provided that the composition of the Council may not be varied without the consent of the Council expressed in the form of a resolution passed by a simple majority vote of the members of that body present at a meeting;

- (b) to appoint the Director General and to delegate to the Director General the power to appoint other staff of the Institute and determine their conditions of service;
- (c) to establish or assist in establishing or dissolve local branches and other sub-divisions, groups or organisations of the Institute, whether autonomous or not, and to make Regulations relating to the constitutions and administration of such organisations;
- (d) to exercise the powers of the Institute in connection with the acquisition of control of the Company and to accept and execute on behalf of the Institute all and any documents, including contracts, deeds, undertakings and agreements, arising from the transfer of all or any part of the property, assets, liabilities and engagements of the Company, and to delegate the power of execution of documents under this Bye-law to a member or members of the Board;
- (e) to govern, manage and regulate the finances, accounts, investments, property, business and all affairs whatsoever of the Institute and for that purpose to appoint bankers and any other officers or agents whom it may deem expedient to appoint;
- (f) to invest on behalf of the Institute or in the name of nominees any monies belonging to or held by the Institute and not immediately required for its purposes in or upon such investments, securities or real or personal property as may be thought fit subject to such consents as may be required by law, provided that:

- (i) in the case of monies belonging to or held by the Institute as trustee for the general purposes of the Institute, the powers conferred by this Bye-law shall be exercised subject to the provisions of the law relating to investment by trustees; and
  - (ii) in the case of monies held by the Institute as trustee upon special trusts, the Board, on behalf of the Institute, shall have such powers of investment as may be granted by such trusts or as may be granted by the law relating to investment by trustees;
- (g) to appoint upon such reasonable and proper terms (including provision for remuneration) as may be thought fit either any individual of repute with at least fifteen years' experience of investment management who is an authorised person within the meaning of the Financial Services Act 1986 or a company or firm of repute which is an authorised or exempted person within the meaning of that Act otherwise than by virtue of section 45 (1)(j) of that Act to be the Institute's investment manager (the "manager") and to delegate to the manager the exercise of powers of investment to the extent permissible under the law relating to trustees: provided that (a) the manager may be authorised to exercise such powers within policy guidelines laid down by the Institute; (b) the manager shall be required to report any exercise of such powers promptly and any transaction within fourteen days, and to report on the performance of the Institute's portfolio managed by him at least every three months; (c) the Institute shall be free at any

time to withdraw, or alter the terms of, such delegation; and (d) the Institute shall review such delegation at intervals not exceeding twelve months (but failure to do so shall not invalidate an existing delegation under this Bye-law); and

(h) to provide for the custody and use of the Seal.

28. The Board shall have power to establish, to delegate its powers and functions (other than the power to make Regulations or its non-delegable powers as trustees) to, to regulate, and to dissolve, such committees with such functions as the Board may think fit. Such committees may include persons who are not members of the Board or of the Institute. Every committee established by the Board shall have power to establish and dissolve sub-committees subject to such directions as the Board may from time to time impose. The exercise by any committee of any power or function delegated to it by the Board shall be reported to the Board as soon as practicable.
29. The Board may delegate powers and functions (other than the power to make Regulations or its non-delegable powers as trustees) to its chairman on such terms and conditions as it sees fit, and may revoke such delegations at any time: provided that all acts and proceedings in exercise of such delegated powers and functions shall be reported to the Board at its next meeting.

#### **DIRECTOR GENERAL AND STAFF**

30. There shall be a Director General who shall be appointed by the Board.

31. The Board may delegate the power of appointment and removal of other members of staff to the Director General or, in the case of any post other than that of the Director General, to any other member of the staff of the Institute.

## ACCOUNTS AND AUDIT

32. The Board shall cause proper and sufficient books of account to be kept in such manner as to give a true and fair view of the state of the Institute's affairs and to explain its transactions, with respect to:
- the assets and liabilities of the Institute;
  - sums of money received and expended by the Institute and the matters in respect of which such receipts and expenditure takes place;
  - all sales and purchases of goods and services by the Institute.
33. The books of account shall be kept at the office or in such place as the Board shall determine and shall be open to inspection by the members of the Board. Regulations may specify reasonable conditions and regulations as to the time within business hours and manner in which the accounts shall be open to inspection by members of the Institute.
34. A copy of every balance sheet, income and expenditure account and auditors' report and of the annual report of the Board shall be made available to every member not less than twenty-one days before the General Meeting at which they are to be considered. The accounts and reports referred to in

this Bye-law may be published in printed or electronic form.

35. Auditors shall be appointed and hold office, and their duties and remuneration regulated, in accordance with Regulations.

## NOTICES

36. A notice may be served by the Institute by publication in the journal of the Institute or other suitable location or to any member either personally or by sending it by pre-paid post to him or to his registered address or (if he has no registered address within the United Kingdom) to the address if any within the United Kingdom supplied by him to the Institute for the giving of notice to him, or by any mechanical or electronic means approved by the Board for this purpose.
37. A notice sent by post shall be deemed to have been served on the second day following that on which the posting occurred.

## TRANSITIONAL PROVISIONS

38. The first Annual General Meeting of the Institute shall be convened at such date and in such manner and shall be conducted in accordance with such rules, as may be determined by the Board.
39. The business of the first Annual General Meeting of the Institute shall include the appointment of the first Auditor or Auditors of the Institute.

40. The Articles of Association of the Company and any regulations or *bye-laws* made in accordance with the provisions thereof shall, so far as they shall be consistent with the Charter and these Bye-laws be deemed to be Regulations of the Institute until such time as they shall have been revoked, or replaced by Bye-laws or Regulations made under the Charter. Such Articles, regulations, or *bye-laws* of the Company as could only have been made pursuant to the provisions of the Charter as Bye-laws may be revoked, added to or amended only by Special Resolution. All other provisions contained in such Articles, regulations or *bye-laws* shall be capable of being altered, added to, amended or repealed as though they were Regulations.

41. All persons holding paid appointments in the Company at the date of the Charter shall hold corresponding appointments in the Institute, on the same terms and conditions as to tenure and otherwise but shall not be entitled to receive remuneration both from the Company and from the Institute in respect of the same period of service.

42. The Board shall have the power to resolve all questions of doubt which may relate to any transitional matter following the grant of the Charter and the establishment of these Bye-laws and such determination shall be final and binding upon every person who may be affected thereby.

43. Bye-laws 38 to 43 shall cease to have effect and shall be deleted from the Bye-laws on such date as may be determined by the Board.